

equivalent to that of the current system. To assure that the proposed system will continue to meet the general performance requirements of 10 CFR 73.55(d)(5), the licensee will implement a process for testing the system. The site security plans will also be revised to allow implementation of the hand geometry system and to allow employees and contractors with unescorted access to keep their picture badges in their possession which leaving the Quad Cities site.

IV

For the foregoing reasons, the NRC staff has determined that the proposed alternative measures for protection against radiological sabotage meet the same high assurance objective and the general performance requirements of 10 CFR 73.55. In addition, the staff has determined that the overall level of the proposed system's performance will provide protection against radiological sabotage equivalent to that which is provided by the current system in accordance with 10 CFR 73.55.

Accordingly, the Commission has determined that, pursuant to 10 CFR 73.5, this exemption is authorized by law, will not endanger life or property or common defense and security, and is otherwise in the public interest.

Therefore, the Commission hereby grants the following exemption:

The requirement of 10 CFR 73.55(d)(5) that individuals who have been granted unescorted access and are not employed by the licensee are to return their picture badges upon exit from the protected area is no longer necessary. Thus, these individuals may keep their picture badges in their possession upon leaving the Quad Cities site.

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of this exemption will not result in any significant adverse environmental impact (60 FR 39464).

Dated at Rockville, Maryland, this 26th day of July 1995.

For the Nuclear Regulatory Commission.

Jack W. Roe,

*Director, Division of Reactor Projects—III/IV,
Office of Nuclear Reactor Regulation.*

[FR Doc. 95-19511 Filed 8-7-95; 8:45 am]

BILLING CODE 7590-01-M

SECURITIES AND EXCHANGE COMMISSION

Request Under Review by Office of Management and Budget

Agency Clearance Officer: Michael E. Bartell, (202) 942-8800.

Upon Written Request, Copy Available From: Securities and

Exchange Commission, Office of Filings and Information Services, 450 Fifth Street, NW., Washington, DC 20549.
[File No. 270-259]

Proposed Amendments

Rule 17f-5

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the "Commission") has submitted for OMB approval amendments to Rule 17f-5.

Rule 17f-5 currently permits management investment companies ("funds") to place their assets with certain foreign banks and securities depositories, subject to numerous and highly detailed conditions. The amended rule would revise these conditions. The amended rule would require findings that the fund's foreign custody arrangements will provide reasonable protection for fund assets. Although foreign custodians would not have satisfy specific capital or other requirements, the custodian's ability to provide reasonable protection for the fund's assets would have to be evaluated based on all relevant factors, including the custodian's financial strength. The amended rule would require the fund's foreign custody arrangements to be governed by a written contract, although it would not specify particular provisions that must be included in the contract. The amended rule also would require the fund's arrangements to be monitored for continuing appropriateness. If an arrangement no longer complies with the amended rule's requirements, a fund would have to withdraw its assets from the country or custodian as soon as reasonably practicable.

In addition, the amended rule would allow fund directors to delegate their responsibilities under the current rule to the fund's adviser or officers or a U.S. or foreign bank. In selecting particular delegates for foreign custody decisions, the board would need to find that it is reasonable to rely on the delegate to perform the delegated responsibilities. The amended rule would require the delegate to provide the board with written reports notifying the board of the placement of the fund's assets in a particular country and with a particular custodian. The delegate also would be required to provide written reports of any material changes in the fund's arrangements. These reports would be provided to the board no later than the next regularly scheduled board meeting following the delegate's actions.

It is estimated that 3,214 total respondents (2,600 fund portfolios and

614 delegates (representing 600 investment advisers and 14 U.S. bank custodians)) may expend an estimated 8,740 total burden hours in connection with the board's delegation of its responsibility for foreign custody matters, the delegate's monitoring of the arrangements, and the amended rule's periodic reporting requirements. The amendments may eliminate the need for the estimated 14 U.S. bank custodians to file exemptive applications with the Commission to maintain custody of fund assets with certain foreign custodians, resulting in savings estimated at 840 total burden hours.

Direct general comments to the OMB Clearance Officer for the SEC at the address stated below. Direct any comments concerning the accuracy of the estimated average burden hours for compliance with Commission rules and forms to Michael E. Bartell, Associate Executive Director, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549, and OMB Clearance Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget (Paperwork Reduction Act Project No. 3235-0269), Room 3208 New Executive Office Building, Washington, DC 20543.

Dated: July 27, 1995.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-19520 Filed 8-7-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36049; International Series Release No. 834 File No. SR-CBOE-95-32]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to the Listing and Maintenance Criteria for Options on American Depository Receipts

August 2, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 12, 1995, the Chicago Board Options Exchange ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the CBOE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

¹ 15 U.S.C. 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1994).

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The CBOE proposes to amend CBOE Rules 5.3 and 5.4 relating to the listing and trading of options on American Depository Receipts ("ADRs"). The text of the proposed rule change is available at the Office of the Secretary, CBOE, and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The CBOE has prepared summaries, set forth in Sections (A), (B), and (C) below, of the most significant aspects of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to revise certain of the Exchange's rules relating to the listing and maintenance criteria for options on ADRs, as set forth in two separate Interpretation and Policies, one under CBOE Rule 5.3 and one under CBOE Rule 5.4.

Listing Criteria for Options on ADRs

The first set of changes concern Interpretation .03 under Rule 5.3. Currently, the Exchange may list options on ADRs that meet the criteria and guidelines set forth in Rule 5.3 and the interpretations thereunder if any of the following conditions are satisfied: (i) The Exchange has in place an effective surveillance agreement³ with the primary exchange in the home country in which the security underlying the ADR is traded; (ii) the combined trading volume of the ADR, the security underlying the ADR, other classes of common stock related to the security underlying the ADR, and ADRs overlying such other classes of common stock (collectively "other related ADRs and securities") occurring in the U.S. ADR market represents (on a share equivalent basis) at least 50% of the

combined worldwide trading volume in the ADR and other related ADRs and securities over the three month period preceding the date of selection of the ADR for options trading ("50% Test"); or (iii) the Commission otherwise authorizes the listing.

The proposed rule change would amend CBOE Rule 5.3, Interpretation .03 in two ways. First, the manner by which the applicable percentage of worldwide trading volume is calculated would be revised. Second, a new set of criteria for the listing of options on ADRs, based on daily trading in the U.S., would be added.

The 50% Test will be revised so that trading in ADRs and other related ADRs and securities in any market with which the Exchange has in place an effective surveillance sharing agreement will be added to U.S. ADR market volume. Currently, only trading in the U.S. ADR market counts towards satisfying the 50% Test. The Exchange believes it is legitimate to add the trading volume in the markets with which the Exchange has in place comprehensive surveillance sharing agreements to U.S. market trading volume because the Exchange is able to monitor trading activity in these other markets.

Interpretation .03 to Rule 5.3 would also be revised by adding a fourth set of criteria under which the Exchange could list options on ADRs. This new standard ("Daily Trading Volume Standard") will permit the Exchange to list options on ADRs if each of the following three conditions is met: (1) The combined trading volume for the ADR and other related ADRs and securities occurring in the U.S. ADR market or in any market with which the Exchange has in place an effective surveillance agreement represents (on a share equivalent basis) at least 20% of the combined worldwide trading volume in the ADR and other related ADRs and securities over the three month period preceding the date of selection of the ADR for options trading, (2) the average trading volume for the ADR in the U.S. ADR market over the three months preceding the date of selection of the ADR for options trading is at least 100,000 shares per day, and (3) the trading volume for the ADR in the U.S. ADR market is at least 60,000 shares per day for a majority of the trading days for the three months preceding the date of selection of the ADR for options trading.

This new standard, like the 50% Test, will allow the listing of options on ADRs in the absence of a surveillance sharing agreement between the Exchange and the home country where the security underlying the ADR is

traded. The Exchange notes that the Daily Trading Volume Standard differs from the 50% Test in three respects. First, the percentage trading requirement is lowered to 20% from 50%. Countervailing this reduced percentage, which by itself would tend to relax the listing standards, are two numerical U.S. trading volume requirements—one that would require a high average daily U.S. trading volume and the other that would require a certain level of trading on a majority of days in the preceding three months. The existing criteria for listing options on ADRs do not have similar trading volume requirements.

The Exchange believes that the Daily Trading Volume Standard is justified because it will enable the Exchange to list options on ADRs that are widely followed by U.S. investors but that do not meet the 50% Test. At the same time, however, these ADRs must have high trading volume in the U.S. ADR market. The Exchange believes that this requirement of observable, high trading volumes, should ameliorate any regulatory concerns regarding investor protection.

Maintenance Criteria for Options on ADRs

The proposed rule change would also establish new maintenance criteria corresponding to the new listing criteria discussed above. Currently, Interpretation .09 to Rule 5.4 prohibits the Exchange from opening trading on any additional series of options on an ADR that was initially listed under the 50% Test if the U.S. trading volume over a subsequent three month period is less than 30% of worldwide trading volume, unless either (1) the Exchange has in place an effective surveillance agreement with the primary exchange in the home country where the security underlying the ADR is traded, or (2) the Commission has otherwise authorized the listing.

The proposed new maintenance criteria would prohibit the Exchange from opening trading on any additional series of options on an ADR that was initially listed pursuant to the proposed Daily Trading Volume Standard unless (A) the percentage of worldwide trading volume in the ADR and other related ADRs and securities that takes place in the U.S. ADR market or in markets with which the Exchange has in place surveillance sharing agreements for any consecutive three month period is either (i) at least 30% without regard to the average trading volume in the ADR, or (ii) at least 15% when the average U.S. daily trading volume in the ADR for the previous three months is at least 70,000

³The Commission defines an effective (*i.e.*, comprehensive surveillance agreement as one pursuant to which the Exchange can obtain not only information regarding the identity of exchange members executing trades, but also the information regarding the identity of the ultimate customer.

shares, or (B) the Exchange then has in place an effective surveillance agreement with the primary exchange in the home country where the security underlying the ADR is traded or (C) the Commission has otherwise authorized the listing. The Exchange believes that the slight decrease in the trading volume percentage (*i.e.*, from 20% to 15%) and the significant average daily trading volume requirement (70,000 shares) should be adequate to address any concerns regarding possible manipulation without being so high as to unduly interfere with the continued trading of option products that have become established on the Exchange.

This second revision merely establishes a maintenance criteria for the 50% Test that is consistent with the newly proposed listing criteria. Specifically, for purposes of applying the 30% maintenance standard, the Exchange will add to U.S. ADR market volume the volume in the ADR and other related ADRs and securities occurring in markets with which the CBOE has in place effective surveillance agreements.

The Exchange believes that the proposed rule change is consistent with Section 6 of the Act, in general, and furthers the objectives of Section 6(b)(5) of the Act,⁴ in particular, in that it is designed to remove impediments to and perfect the mechanism of a free and open market and a national market system by enabling the Exchange to list options on widely followed ADRs without compromising investor protection concerns.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any inappropriate burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments on the proposed rule change were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or

(ii) as to which the Exchange consent, the Commission will:

- (a) By order approve such proposed rule change, or
- (b) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street NW., Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR-CBOE-95-32 and should be submitted by August 29, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-19521 Filed 8-7-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36032; International Series Release No. 832; File No. SR-NYSE-95-23]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by New York Stock Exchange, Inc. Relating to the Listing of Investment Company Units

July 28, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1) ("Act"), notice is hereby given that on June 7, 1995, the New York Stock Exchange, Inc. ("NYSE" or the "Exchange") filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The

Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The NYSE proposes to adopt ¶ 703.16 of its Listed Company Manual ("Manual"), consisting of listing standards for units of trading ("Units") that represent an interest in a registered investment company ("Investment Company") that could be organized as a unit investment trust ("UNIT"), an open-end management investment company, or a similar entity. The investment company would hold securities comprising, or otherwise based on or representing an investment in, an index or portfolio of securities. The investment company either could hold the securities directly or could hold another security representing the index or portfolio securities (such as in a UIT that holds shares of an open-end investment company). The Exchange also proposes to amend Exchange Rule 460 to permit specialists to whom Units have been allocated to purchase and redeem Units, or securities that can be subdivided or converted into Units, through a distributor, from the issuer of such securities.

The Exchange initially seeks to list up to nine series of Units, in the form of "CountryBaskets."¹ These CountryBaskets will be structured in one of two ways. First, in the "Fund-only structure," they could be structured as series of an open-end management investment company investing in a portfolio of securities ("Index Securities") included in the corresponding component of the FT-Actuaries World Index "FT-AWI").² Alternatively, in the "Fund/UIT structure," they could be structured as UITs that have as their assets shares of an open-end investment company holding the underlying Index Securities. If, in the future, the Exchange seeks to list Units with respect to other indices, it will make an appropriate filing with the Commission to provide the authorization to effect such listings.

¹ "CountryBasket," "CountryBaskets" and "CB" are trademarks of Deutsche Bank Securities Corporation ("DBSC").

² "FT-Actuaries World Indices," "FT-Actuaries World Index," and "FT-AWI" are trade and service marks of The Financial Times Limited, and are used under license by Goldman, Sachs & Co. and NatWest Securities Limited.

⁴ 15 U.S.C. 78f(b)(5) (1988).

⁵ 17 CFR 200.30-3(a)(12) (1994).